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UNCLAS ALMATY 003902

SIPDIS

DEPARTMENT FOR EUR/CACEN (JMUDGE), EB/TPP/BTA/EWH (ELUFTMAN), INR/REA, INR/B
COMMERCE FOR CENTRAL ASIA DESK OFFICER DSTARKS
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E.O. 12958: N/A

TAGS: ECON EAIR ELTN PGOV PREL KZ ECONOMIC POLITICAL SUBJECT: KAZAKHSTAN: AMBASSADOR'S INTRODUCTORY CALL ON TRANSPORT MINISTER

REF: 04 ALMATY 5014

- 11. (U) Summary/Background. Ambassador Ordway called on Kazakhstani Minister of Transport and Communications Askar Mamin on October 21 in Astana. The Ambassador and the Minister discussed the GOK's attempts to attract international air traffic to Astana, development of rail and road infrastructure, and the prospects for aircraft purchases by Kazakhstan's national airline, Air Astana. Mamin's comments reflect a much more pragmatic approach than that of his predecessor (Reftel).
- 12. (SBU) Askar Uzakpayevich Mamin, 40, was appointed Minister of Transport and Communications on August 26. He joined the ministry as a vice-minister in August 2000 and became the first deputy in 2003, holding the latter post until his appointment as minister. From 1996 to 2000, he served as a deputy in the Astana akimat to current chief of the Presidential Administration Adilbek Dzhaksybekov. Mamin replaced Kazhmurat Nagmanov, minister since 2002, who was named a presidential adviser. Mamin was accompanied by Deputy Minister Yerlan Koshanov, Chairman of the Civil Aviation Committee Almatbek Mambetov, and by Malika Nigmatullina, Director of the Department for International Cooperation and daughter of the prominent parliamentarian Yerlan Nigmatullin. End Summary/Background.

Softer Line on Flights to Astana

- 13. (SBU) The Ambassador asked Mamin about the state of play concerning the GOK's demand that international airlines revoute their service to Kazakhstan through Astana. Mamin answered that the GOK has had some success, pointing to Turkish Airlines' opening service to Astana October 20 and to Austrian Airlines' apparent decision to do so in the near future. He also expressed the hope that agreements would be reached with Lufthansa and KLM. He said that the GOK was ready to offer a scheme of five flights to Almaty per week and two to Astana; and would even consider allowing the airlines to keep their daily flights to Almaty.
- 14. (SBU) The Minister also said that Air France and KLM had expressed interest in providing service to and from Atyrau, and that the proposal was under consideration. The Ambassador observed that in both situations (Almaty/Astana and the putative Atyrau flights) the market would be the surest determinant of what would work.
- 15. (SBU) The Minister also confirmed that Air Astana is interested in expanding its fleet. The expansion could well be effected through a combination of buying and leasing up to eight Boeing 737 or 787 aircraft (the current fleet includes 757 and 737 model aircraft). The Minister did not rule out purchasing Airbus, but did not suggest that the idea of switching manufacturers has much support in the Ministry or at Air Astana.

A Different Tack on Infrastructure

- 15. (SBU) The Ambassador asked Mamin about the status of the well-publicized proposal to build a railroad across Kazakhstan with the intention of providing an alternate shipping route for goods from China to Europe via Kazakhstan, Turkmenistan and Iran. (Note: The project had been a priority for the previous Minister (Reftel), however most observers, particularly from the international financial institutions the GOK hoped to partner with, thought it seriously flawed. End Note.)
- 16. (SBU) Mamin said that he had shared his "significant doubts" about the project with President Nazarbayev. Among other things, Turkmenistan's unresponsiveness to the plan

and the mountainous terrain of the prospective route in Iran render the plan basically unexecutable in the foreseeable future.

17. (U) Mamin did, however, tell the Ambassador that he is interested in adding rails to create a cross-country Russianguage route from the Dostyk (Druzhba) border post in the east to the city of Aktau. The completed railroad would span 2,000 kilometers. Mamin envisions that the project will be financed, at least in part, through a bond issue. He expects that the project will take ten years.

Comment

- 18. (SBU) Mamin's views across the spectrum of issues he discussed with the Ambassador were pragmatic, realistic and a welcome change from those of his predecessor. His remarks appeared, without explicitly saying so, to confirm the general impression that the GOK is backing away from its fixation on making Astana the only way in or out of Kazakhstan for airline passengers.
- 19. (U) Minimize for Dushanbe considered.

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